

Registered number: 04865661
Charity number: 1136057

LANCASHIRE BME NETWORK LTD
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

LANCASHIRE BME NETWORK LTD
(A company limited by guarantee)

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LANCASHIRE BME NETWORK LTD
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Trustees

Nweeda Khan, Chair
Parvinder Sohal (resigned 12 March 2020)
Ishwer Tailor
Charubala Ainscough, Company Secretary
Shahida Hanif
Sadar Uddin
Christine Blythe, Treasurer
Shaju Ahmed (resigned 12 March 2020)
Joanne Birkner
Jaffer Hussain (resigned 2 December 2020)
Rehana Alibhai Master (resigned 17 May 2020)
Atiquah Vohra
Rafique Malik
Saba Iftikhar (appointed 1 July 2020)

Company registered number

04865661

Charity registered number

1136057

Registered office

Suite 412
Daisyfield Business Centre
Appleby Street
Blackburn
Lancashire
BB1 3BL

Company secretary

Charubala Ainscough

Accountants

CW Accountants Limited
Chartered Certified Accountants
The Boulevard Centre
45 Railway Road
Blackburn
Lancashire
BB1 1EZ

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Advisers (continued)

Bankers

The Co-operative Bank Plc
PO Box 250
Delf House
Southway
Skelmersdale
WN8 6WT

LANCASHIRE BME NETWORK LTD
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements for the 1 September 2019 to 31 August 2020. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the charitable company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. OBJECTIVES

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the charity commission relating to public benefit.

The objectives of the charitable company are to advance the education of the public, primarily but not exclusively the Asian, African, Caribbean, and other minority ethnic communities in the county of Lancashire, by whatever charitable means the board of trustees think fit, with the object of improving the conditions of life of the said beneficiaries.

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

The following are some of the activities towards achieving our objectives:

- Training courses
- Networking, meetings and events
- Representation
- Research and consultation
- Organisational Health Checks
- Organisational development
- Strategy development
- Governance support
- Information advice and guidance
- Partnership working
- Funding advice
- Governance Training
- Health inequality work
- Advice and Guidance
- Capacity Building
- Employment Support
- Volunteering
- Wellbeing services
- Student placements
- Race and equality IREP

In the last year we have delivered a variety of services and interventions which would not have been possible without the support of the following:

The National Lottery fund, Lloyds Foundation, SELNET, WEA, Public Health, Wright Accountancy, Lancashire Association of CVS's , Lancashire County Council, East Lancashire Clinical Commissioning group, BWD Borough Council, UCLAN.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

c. VOLUNTEERS

LBN had 13 registered volunteers in the year 2019-2020 and they contributed to the overall running of the organisation.

Achievements and performance

a. REVIEW OF ACTIVITIES

Chief Officers Report:

The last 12 months have been interesting, insightful and impactful for us as an organisation. As a result of key global events such as Covid 19 and Black Lives Matter, Lancashire BME Network (LBN) has been instrumental in developing innovative solutions to address systemic and structural inequalities. In my report, I will focus on some of the specific activities we undertook over the past year and also look ahead at future plans.

COVID has been the singular dominant factor over the past 12 months. One thing is for certain that there is no end in sight unfortunately. The additional demands that COVID has created means that services that we provide (both directly and through our members) are going to be even more needed over the coming months and years. As an organization, we will work diligently to ensure that our resources are used in a way that creates greatest impact on those communities who have been disproportionately affected.

LBN recognised early on during the pandemic that we would have to adapt our ways of working and shift our focus to ensure that we were cognisant of emerging COVID related needs and support our members as much as possible. In March 2020, following requests, suggestions and recommendations, we brought together our members for virtual weekly meetings. This allowed groups and organisations working across the county to have a safe space to share their thoughts, concerns and challenges. It was also a place where common needs were identified and time was provided for peer support and mentoring.

In addition, these meetings have been a chance to connect the local with the national. Colleagues from a range of regional and national organisations have attended our meetings and have listened attentively to the voices of Lancashire people. These have included; the Minister for Civil Society and Youth, the Chief Executive of Barnardo's and the Chair of Lancashire Strategic Alliance. This has led to us forging long term, sustainable relationships that will help LBN to better represent its members and the BME communities of Lancashire.

Now more than ever before, collaboration is key. Likewise, never has investment, resource and capacity been so important. It is these two factors, when coupled make the greatest impact. I am so proud that during the last 12 months, members of the LBN team have been working with members to make these collaborations more visible and provide a space for funders to connect with others who want to work on common concerns. Due to requests and emerging needs we have been looking into redeveloping our membership offer so that it accessible and relevant.

I would also like to reassure all of our stakeholders that while we have rightly and rapidly altered our plans to focus on Covid-19 yet still maintain our original direction of travel. The virus has highlighted how important a role we play in supporting our members to be ambitious and effective and to work collaboratively.

The Black Lives Matter agenda has highlighted how structural and systemic inequalities continue to prevail in modern day society. As an organisation that prides itself on representing the remit of race and equality as broadly as possible and with such conviction and confidence, the movement has provided us with an opportunity to reaffirm our commitment to the agenda and to do as much as possible to ensure equity is given to all. With this in mind, we took the bold step to establish an Independent Race and Equality Panel for Lancashire (I-REP).

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Although this is still in its infancy we are really excited about the work this panel will do in particular around challenging the status quo so that services and commissions meet the needs of communities and are culturally appropriate.

Although we had previously developed our 3-year strategy, the events of the past year means having to revisit and revise that strategy, as we no longer operate in the climate to which we were accustomed. Membership development, young people's work and achieving the relevant kitemarks and standards are still very important to us and we will do as much as we can over the coming months to further develop this work. At the same time, we are still needed to support with COVID prevention work as well as ensuring the conversations around race and equality continue to happen and so we commit to those strands of our work for however long is needed.

We are all living through a global pandemic – the LBN team, like all of you, are dealing with different and difficult individual circumstances and challenges. Every single member of the team has done a phenomenal job in continuing to turn up to work daily filled with optimism and hope and to serve you in their individual roles. I am deeply grateful to them all.

I would like to thank our staff, volunteers, members and trustees for the phenomenal commitment they have shown in the last year and the hard they have put in to make LBN the recognized body it is. Thank you for your belief in the power of networks, and in the value that an organization like ours can bring to others both individually and collectively. I would particularly like to thank all of you who speak at our events, join our working groups, and convene our networks. Thank you once again for your continued support.

Naz Zaman
Chief Officer

Activities

Our programmes over the last year have been varied and many were adapted to focus on Covid-19. These services and activities include:

Covid-19, capacity building and representation:

We have continued to support our 120+ members during a difficult and challenging time. This has been done through a range of interventions including (but not limited to):

1. Regular member-meetings, to support members by sharing; good practice, knowledge and ideas, offering each other peer-support and providing a platform to highlight gaps in services and concerns.
2. Supporting members with governance and business strategies with the assistance of a local governance expert. This included providing organisational health checks followed up with an action plan and recommendations tailored to each organisation.
3. Provided expert HR and legal advice thorough our contacts so members who had to furlough staff were aware of legislation and good practice.
4. Provided access to online training programmes to build capacity within our members staff and volunteers so they are better able to respond to needs (i.e. safeguarding, confidentiality, mental health, bereavement)
5. Further development of our online resources- website and social media around COVID19. This included a range of videos in various languages which provided key national messages (stay home, protect the NHS, save lives)
6. Acting as a distribution centre for Personal Protective Equipment so that our members could access a range of supplies enabling them to have safe and compliant workplaces / spaces

We also furthered our work around representation, particularly linked to the Black Lives Matter agenda. Based on feedback from members and non-members alike we solidified our support for all marginalised communities regardless of background. The support included (but was not limited to):

1. Breaking down the barriers that prevent individuals from accessing education, meaningful employment, training, health and mental health care.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

2. Giving evidence at the Women's and Equality Committee on behalf of our members, highlighting the systemic and structural inequalities that still exist in communities.
3. The establishment of an Independent Race and Equality Panel aimed at holding decision making bodies to account.

Talk Me Happy (Wellbeing Service)

This service provides a range of interventions including befriending & bereavement support, 1-1 counselling sessions and group therapies. Through this service, we have been able to support individuals who have suffered bereavement, isolation and other emotional loss due to COVID. We have been able to ensure that communities of colour have been able to access these services and opportunities regardless of their demographic and circumstances.

Suicide / Self-Harm prevention

Through this 6-month programme we were able to deliver activities to raise awareness of suicide and self-harm amongst South Asian women through a 8 week programme called "Bake me Happy". Participants were able to discuss their own mental health and wellbeing in a safe space whilst at the same time being educated on tools and techniques to manage their own wellbeing. This project highlighted the need for early intervention and alternative therapies for those who don't access mainstream services through fear of stigma and cultural barriers.

Building Better Opportunities Changing Futures – Wider Disadvantage

We are in the final phases of delivering this much needed project and are delighted that we have been able to support vulnerable individuals with housing, employment, volunteering and welfare.

ESOL for Refugees

In partnership with LACVS and partners we are still successfully delivering a programme of activities including ESOL classes and wraparound support for the Syrian refugee families displaced due to civil war.

Support 360

We are in the final year of our Big Lottery funded project. This programme has been providing information, advice and guidance in Burnley and Pendle to those most in need. The work is being delivered by four LBN members, all of whom have excelled in achieving the targets and soft outcomes.

CCG Research Phase 2

We worked with our members to gather insight and intelligence from their residents and service users about Daneshouse House Medical Practice. The intelligence allowed the CCG to work collaboratively with the wider community in co – developing local solutions.

Consultancy and Research

We have provided consultancy and research services for various organisations covering topic areas around inclusion and diversity and hope to continue building on this work.

Financial review

a. GOING CONCERN

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

After making appropriate enquiries, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. RESERVES POLICY

The trustees of LBN agreed to hold 6 months running costs as reserves in a separate account in the event that the charity is unable to secure funding to continue operating. The funds will cover day to day running costs, redundancies and 6 months' salary for core staff to allow the charity to fulfil any contractual obligations. The total amount to be held in reserves is £43,376.99. The reserves policy and 6 months running costs is currently under review and will be decided and amended at a future board meeting.

c. SURPLUS

The charitable company made a surplus of £110,895 to August 2020 (2019 - a deficit of £1,576). This surplus is fully made up of unspent grant monies at the year end due to timing differences.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management

a. CONSTITUTION

The charitable company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association 14 January 2010 and is a registered charity number 1136057.

On 18 September 2013 the charitable company changed its name from Lancashire Black and Minority Ethnic (BME) Pact Ltd to Lancashire BME Network Ltd.

The charitable company merged with Lancashire Women's Network (charity number 1088125) on 31 July 2014.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

Lancashire BME Network has a robust trustee recruitment process, underpinned by our governing document which states "we are to have no more than 13 trustees and no less than 7". LBN are a membership based organisation and as such we source our trustees from the membership, however there is a stipulation that to become a trustee they have to have been a member for 12 months. Trustees are recruited if there are vacancies on the board or a skills/knowledge gap is identified. There are one of two ways trustees can be appointed:

- At the Annual general meeting
- Through co-option

Each recruitment method has its own process to follow, however all potential trustees have to complete an application form and attend a meeting with the Chair of LBN prior to being invited to join the board.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Individuals who have been successful in their application to become a trustee are supplied with and asked to complete the following paperwork:

Complete a confidentiality form
Show Proof of ID
Complete a trustee details form
Complete and sign the declaration of interest form, to be retained by LBN

Sign a Fit & Proper person Declaration

Agree and sign two copies of the code of conduct, one to be retained by the Trustee and the other by LBN.

All new trustees are asked to attend the offices to receive an induction, covering policies, processes, role description, expectations and operational activity.

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

Strategic direction is provided by the Board of Trustees whose responsibilities include, ensuring compliance and achievement against the aims and objectives. Strategic and operational management is provided by the Chief Officer who oversees the day to day running of the organisation.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

e. RISK MANAGEMENT

This is an ongoing piece of work and has been greatly affected by COVID. Working closely with the Chief Officer, the Trustees work to assess any major risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. A task and finish group is established to review all risks as highlighted in the Charity Code of Governance. The charitable company has a risk management statement which is reviewed regularly and contains information on the following risks; Governance, Financial, Environmental, Compliance and Operational.

Two major potential risks, their impact and what steps could be put in place to avoid these are explored below;
Governance: Potential Risk The charity lacks direction, strategy and forward planning Potential Impact • lacks direction, strategy and forward planning • the charity drifts with no clear objectives, priorities or plans • issues are addressed piecemeal with no strategic reference • needs of beneficiaries not fully addressed • financial management difficulties • loss of reputation Risk Management/mitigation • create a strategic plan which sets out the key aims, objectives and policies • create short to medium term financial plans and budgets • monitor financial and operational performance • obtain regular feedback from beneficiaries and funders

Financial: Potential Risk Dependency on limited income sources Potential Impact: • cash flow and budget impact of loss of income source Risk Management/mitigation • identify major dependencies • implement adequate reserves policy • consider, develop, and execute diversification plans LBN held a development day with staff and board members in March 2018, as a result of this, a strategy was developed but this is now being revisited as a result of the changing environment in which we operate.

Plans for future periods

a. FUTURE DEVELOPMENTS

LBN are constantly looking for opportunities to become self-sustaining; however it is recognised that this will take some time to come to fruition. We have started to develop ideas into actions on how we are able to generate income so we are less reliant on grants and are able to use the generated income to better meet the needs of our membership and the BME communities of Lancashire.

Internally we are looking at operational systems including data management systems and processes and IT provision.

MEMBERS' LIABILITY

The Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees, on 30/03/21 and signed on their behalf by:

LANCASHIRE BME NETWORK LTD
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

N. Khan

Trustee Nweeda Khan

J. Blythe

Trustee CHRISTINE BLYTHE

LANCASHIRE BME NETWORK LTD
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also directors of Lancashire BME Network for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF LANCASHIRE BME NETWORK LTD (the 'charitable company')

I report to the charity Trustees on my examination of the accounts of the charitable company for the year ended 31 August 2020.

This report is made solely to the charitable company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charitable company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the charitable company's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the charitable company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

LANCASHIRE BME NETWORK LTD
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INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

INDEPENDENT EXAMINER'S STATEMENT


Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Dated:

04/05/2021

Courtney Wright BA ACCA

For and On Behalf of CW Accountants Limited

Chartered Certified Accountants

The Boulevard Centre
45 Railway Road
Blackburn
Lancashire
BB1 1EZ

LANCASHIRE BME NETWORK LTD
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:					
Charitable activities	2	324,053	108,899	432,952	350,459
TOTAL INCOME		324,053	108,899	432,952	350,459
EXPENDITURE ON:					
Charitable activities	3	202,133	119,924	322,057	352,035
TOTAL EXPENDITURE	4	202,133	119,924	322,057	352,035
NET BEFORE TRANSFERS		121,920	(11,025)	110,895	(1,576)
Transfers between Funds	10	(3,453)	3,453	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		118,467	(7,572)	110,895	(1,576)
NET MOVEMENT IN FUNDS		118,467	(7,572)	110,895	(1,576)
RECONCILIATION OF FUNDS:					
Total funds brought forward		65,983	141,559	207,542	209,118
TOTAL FUNDS CARRIED FORWARD		184,450	133,987	318,437	207,542

The notes on pages 17 to 30 form part of these financial statements.

LANCASHIRE BME NETWORK LTD
(A company limited by guarantee)
REGISTERED NUMBER: 04865661

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	£	2020 £	£	2019 £
FIXED ASSETS					
Tangible assets	7		-		-
CURRENT ASSETS					
Debtors	8	9,674		33,230	
Cash at bank and in hand		311,121		175,485	
		<u>320,795</u>		<u>208,715</u>	
CREDITORS: amounts falling due within one year	9	(2,358)		(1,173)	
NET CURRENT ASSETS			<u>318,437</u>		<u>207,542</u>
NET ASSETS			<u><u>318,437</u></u>		<u><u>207,542</u></u>
CHARITY FUNDS					
Restricted funds	10		184,450		65,983
Unrestricted funds	10		133,987		141,559
TOTAL FUNDS			<u><u>318,437</u></u>		<u><u>207,542</u></u>

The charitable company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the charitable company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charitable company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the Trustees on 30/03/21 and signed on their behalf, by:

N. Khan
Trustee Nweeda Khan

Trustee

Jo Blythe
CHARITINE BLYTHE

The notes on pages 17 to 30 form part of these financial statements.

LANCASHIRE BME NETWORK LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	12	<u>135,636</u>	<u>13,773</u>
Change in cash and cash equivalents in the year		135,636	13,773
Cash and cash equivalents brought forward		<u>175,485</u>	<u>161,712</u>
Cash and cash equivalents carried forward	13	<u><u>311,121</u></u>	<u><u>175,485</u></u>

The notes on pages 17 to 30 form part of these financial statements.

LANCASHIRE BME NETWORK LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Lancashire BME Network Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 Company status

The charitable company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

1.4 Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charitable company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charitable company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charitable company, or the charitable company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charitable company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charitable company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charitable company which is the amount the charitable company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

LANCASHIRE BME NETWORK LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charitable company's educational operations, including support costs and costs relating to the governance of the charitable company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.6 Cash flow

The financial statements do not include a Statement of cash flows because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment - unrestricted	-	25% reducing balance
Office equipment - restricted	-	25% straight line

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Charitable activities	324,053	108,899	432,952	<i>350,459</i>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2019</i>	<i>-</i>	<i>350,459</i>	<i>350,459</i>	
	<hr/>	<hr/>	<hr/>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

INCOME FROM CHARITABLE ACTIVITIES

	2020 £	2019 £
CISP/LCC	-	13,333
East Lancs CCG	-	9,905
The National Lottery - Community Fund	166,841	163,737
Good Things Foundation	946	312
LCC SRP	96,807	60,839
GP Resilience	-	2,510
NHSBT	2,091	11,500
Healthier Lancashire and South Cumbria	-	5,000
ESF Volunteering	(6,665)	15,959
BBO CF	22,758	14,503
BBO LACVS CF	-	12,811
BBO Reach IT	2,716	40,050
Lancashire Community Foundation	4,839	-
TNL Community Fund	90,630	-
Lloyds Community Foundation	33,000	-
BWD Borough Council	9,990	-
ESF Strengthening Communities	2,948	-
Government JRS	2,540	-
East Lancs CCG	2,305	-
Sundry - Other	1,206	-
Total	432,952	350,459

3. GOVERNANCE COSTS

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Accountancy fees	-	401	401	985
Legal and Professional	-	908	908	740
Trustees travel reimbursed	-	-	-	6
	-	1,309	1,309	1,731

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**NOTES TO THE FINANCIAL STATEMENTS
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4. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2020 £	Other costs 2020 £	Total 2020 £	Total 2019 £
Charitable activities	140,234	180,514	320,748	350,304
Expenditure on governance	-	1,309	1,309	1,731
	<u>140,234</u>	<u>181,823</u>	<u>322,057</u>	<u>352,035</u>
Total 2019	<u>155,711</u>	<u>196,324</u>	<u>352,035</u>	

ANALYSIS OF CHARITABLE EXPENDITURE

	2020 £	2019 £
Staff salaries	129,052	141,392
Staff employers national insurance	5,541	7,477
Staff employers pension costs	5,641	6,842
Travel and subsistence	1,896	8,720
Project costs	141,825	149,988
Rent, Rates and Utilities	21,661	22,871
Telephone and fax	437	594
Stationery, printing and photocopying	1,839	1,342
Insurance	1,412	812
Sundry expenses	622	353
Advertising and PR	159	312
Website development and IT costs	5,116	3,542
Participant Costs	1,169	4,819
Training	1,500	321
Equipment purchase and repairs	2,644	564
Subscriptions	234	70
Volunteer expenses	-	285
Total	<u>320,748</u>	<u>350,304</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2020 £	2019 £
Pension costs	5,641	6,842

During the year, no Trustees received any remuneration (2019 - £NIL).

During the year, no Trustees received any benefits in kind (2019 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2019 - £6).

6. STAFF COSTS

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	129,052	141,392
Social security costs	5,541	7,477
Other pension costs	5,641	6,842
	<u>140,234</u>	<u>155,711</u>

The average number of persons employed by the charitable company during the year was as follows:

	2020 No.	2019 No.
Chief officer	1	1
Project officer	7	7
Admin and Finance officer	1	1
Admin Apprentice	1	1
	<u>10</u>	<u>10</u>

No employee received remuneration amounting to more than £60,000 in either year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
At 1 September 2019 and 31 August 2020	<u>34,059</u>
Depreciation	
At 1 September 2019 and 31 August 2020	<u>34,059</u>
Net book value	
At 31 August 2020	<u>-</u>
At 31 August 2019	<u>-</u>

8. DEBTORS

	2020 £	2019 £
Accrued income	7,754	28,725
Trade debtors	1,920	4,505
	<u>9,674</u>	<u>33,230</u>

9. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Pension contributions	689	-
Accruals and deferred income	1,669	1,173
	<u>2,358</u>	<u>1,173</u>
Deferred income		£
Deferred income at 1 September 2019		3,082
Resources deferred during the year		<u>(3,082)</u>
Deferred income at 31 August 2020		<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2020 £
Designated funds					
Designated Fund 1	43,376	-	-	-	43,376
General funds					
General Funds	98,183	108,899	(119,924)	3,453	90,611
Total Unrestricted funds	141,559	108,899	(119,924)	3,453	133,987
Restricted funds					
TNL	57,273	166,841	(158,777)	-	65,337
BBO CF	788	22,758	(22,473)	-	1,073
LA CVS CF	3,142	-	-	(3,142)	-
ESF LACVS	311	-	-	(311)	-
NHSBT	250	2,091	(2,341)	-	-
Healthier Lancashire and South Cumbria	4,146	-	(4,146)	-	-
Good Things Foundations	73	946	(1,019)	-	-
ESF Strengthening Communities	-	2,948	(1,474)	-	1,474
Lloyds Bank Foundation	-	33,000	-	-	33,000
Lancashire Community Foundation	-	4,839	(4,839)	-	-
TNL Community Fund	-	90,630	(7,064)	-	83,566
	65,983	324,053	(202,133)	(3,453)	184,450
Total of funds	207,542	432,952	(322,057)	-	318,437

Designated Funds

Designated Fund 1 - This is for 6 months running and redundancy costs as explained in the reserves policy.

General Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes. This also includes unrestricted project funds.

Restricted Funds

TNL

This project is funded by the Big Lottery to deliver information, advice and guidance in Burnley and Pendle to those most in need.

LANCASHIRE BME NETWORK LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. STATEMENT OF FUNDS (continued)

BBO Changing Futures - Wider Disadvantage

Similar to the above two restricted funds, this was funded by the Big Lottery and ESF. It is to engage with those individuals who have multiple barriers and are the furthest away from the job market

BBO Changing Futures - LACVS

This is the same project as the fund above, however this is based in a different geographical area. This is a negative balance at the end of the year due to monies still waiting to be received.

ESF LACVS

This is a fund based on strengthening communities volunteering programmes and supporting people across Lancashire in education/ training/ volunteering and employment. Similarly, to the above project, monies were outstanding at the year end.

NHSBT

This fund is for a 6 month period to deliver seminars to various groups and organisations across Lancashire to increase sign up on the organ donors register.

Healthier Lancashire and South Cumbria

This fund is also for a 6 month period to deliver a project raising awareness of suicide and self harm and ultimately to save lives.

Good Things Foundations

This is a fund to engage participants in online training courses to develop digital skills and confidence.

ESF Strengthening Communities

This is an EU funded programme to engage people in volunteering who are furthest away from the labour market.

Lloyds Bank Foundation

This funding will assist and support the delivery of the Elbowing programme.

Lancashire Community Foundation

This funding is to establish a befriending and bereavement support service.

TNL Community Fund

This is to support our members with capacity building, develop LBN to deliver services in a COVID safe way and develop an Independent Race and Equality Panel (IREP)

LANCASHIRE BME NETWORK LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers £</i>	<i>Balance at 31 August 2019 £</i>
Designated funds					
Designated Fund 1	43,376	-	-	-	43,376
Designated Fund 2	10,000	-	-	(10,000)	-
Designated Fund 3	30,000	-	-	(30,000)	-
	<u>83,376</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>	<u>43,376</u>
General Funds	<u>74,807</u>	<u>114,499</u>	<u>(129,513)</u>	<u>38,390</u>	<u>98,183</u>
Restricted funds					
BLF Diversity Awards	(853)	-	-	853	-
TNL	54,265	163,737	(160,729)	-	57,273
BBO 50+	1,177	-	-	(1,177)	-
BBO Neet	(1,304)	-	-	1,304	-
BBO CF	8,431	13,307	(20,950)	-	788
LA CVS CF	(4,976)	12,811	(4,693)	-	3,142
ESF LACVS	(3,121)	15,959	(12,527)	-	311
CISP	(2,684)	13,333	(11,279)	630	-
NHSBT	-	11,500	(11,250)	-	250
Healthier Lancashire and South Cumbria	-	5,000	(854)	-	4,146
Good Things Foundations	-	313	(240)	-	73
	<u>50,935</u>	<u>235,960</u>	<u>(222,522)</u>	<u>1,610</u>	<u>65,983</u>
Total of funds	<u><u>209,118</u></u>	<u><u>350,459</u></u>	<u><u>(352,035)</u></u>	<u><u>-</u></u>	<u><u>207,542</u></u>

LANCASHIRE BME NETWORK LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2020 £
Designated funds	43,376	-	-	-	43,376
General funds	98,183	108,899	(119,924)	3,453	90,611
	<u>141,559</u>	<u>108,899</u>	<u>(119,924)</u>	<u>3,453</u>	<u>133,987</u>
Restricted funds	65,983	324,053	(202,133)	(3,453)	184,450
	<u>207,542</u>	<u>432,952</u>	<u>(322,057)</u>	<u>-</u>	<u>318,437</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2019 £
Designated funds	83,376	-	-	(40,000)	43,376
General funds	74,807	114,499	(129,513)	38,390	98,183
	<u>158,183</u>	<u>114,499</u>	<u>(129,513)</u>	<u>(1,610)</u>	<u>141,559</u>
Restricted funds	50,935	235,960	(222,522)	1,610	65,983
	<u>209,118</u>	<u>350,459</u>	<u>(352,035)</u>	<u>-</u>	<u>207,542</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Current assets	184,450	136,345	320,795
Creditors due within one year	-	(2,358)	(2,358)
	<u>184,450</u>	<u>133,987</u>	<u>318,437</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Current assets	65,983	142,732	208,715
Creditors due within one year	-	(1,173)	(1,173)
	<u>65,983</u>	<u>141,559</u>	<u>207,542</u>

12. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	110,895	(1,576)
Adjustment for:		
Decrease in debtors	23,556	15,041
Increase in creditors	1,185	308
Net cash provided by operating activities	<u>135,636</u>	<u>13,773</u>

13. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	311,121	175,485
Total	<u>311,121</u>	<u>175,485</u>

LANCASHIRE BME NETWORK LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. PENSION COMMITMENTS

The charitable company contributed to personal pension plans in 2020.

15. OPERATING LEASE COMMITMENTS

At 31 August 2020 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts payable:		
Within 1 year	<u>3,616</u>	<u>7,637</u>

16. RELATED PARTY TRANSACTIONS

LACVS

Christine Blythe who is a director of LACVS is also a director of Lancashire BME Network and Naz Zaman who is the chief officer of Lancashire BME Network is also a director of LACVS. Throughout the financial year Lancashire BME Network have received funding for project delivery.

Northern Community Network

Rafique Malik is a director of Northern Community Network and Lancashire BME Network LTD. Northern Community Network were a partner of the Support 360 project throughout the financial year and received £27,898.80

Bangladeshi Welfare Association

Sadar Uddin is a director of Bangladeshi Welfare Association and Lancashire BME Network LTD. Bangladeshi Welfare Association was a partner of the Support 360 project throughout the financial year and received £17,495.80

17. POST BALANCE SHEET EVENTS

There have been no significant events affecting the company since the year-end.

18. CONTROLLING PARTY

The charitable company is controlled by the Trustees listed on page one of the accounts.